CURRENT MINNESOTA LABOR MARKET CONDITIONS

October, 1985 Supplement to The Review of Labor and Economic Conditions

Prepared by the Research and Statistics Office, MN Dept. of Jobs and Training, 390 N. Robert St., St. Paul, MN 55101, in cooperation with the U.S. Dept. of Labor, Bureau of Labor Statistics, and Employment and Training Admin.

Nation

Although sales and spending were still robust in September, the Nation's economy was less buoyant in September as employment, production and income were rather sluggish. Most economists expect modest growth during the remainder of the year.

Labor market conditions deteriorated somewhat in September as unemployment rose and nonfarm payroll employment showed relatively little growth. The seasonally adjusted unemployment rate rose 0.1 of a percentage point to 7.1 percent after a drop of 0.3 of a point in August. Although seasonally adjusted total employment climbed by 370,000 in September, adjusted payroll employment increased by only 128,000 after gains averaging 237,000 in the first eight months of the year. The principal cause of the slower growth in payroll employment was that the slide in manufacturing employment which appeared to end in August resumed in September. Employment in manufacturing fell by 111,000 in September and has declined by 337,,000 since last December.

Except for retail sales and personal consumption expenditures which rose strongly in September as a result of the auto sales incentives, other indicators suggested sluggishness in the economy. Industrial production declined slightly in September while personal income rose very modestly. Although most economists believe that the sharp drop in housing starts in September was a statistical aberration, some feel that the decline in mortgage rates is being offset by a shift to fixed-rate mortgages, tighter credit standards and satisfied demand among younger buyers.

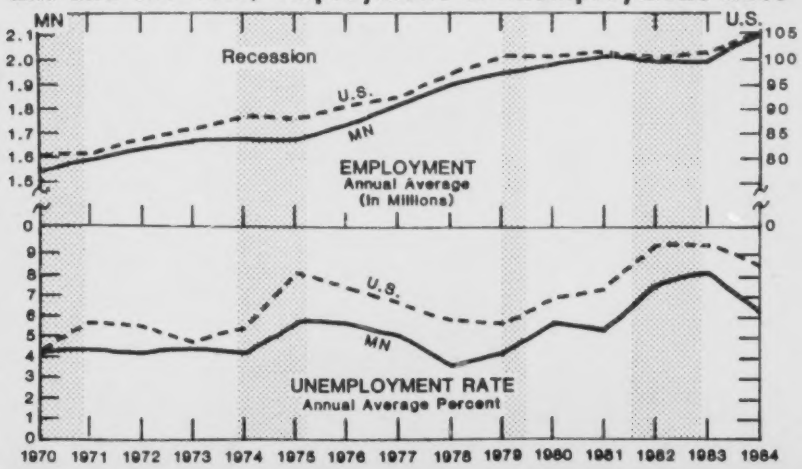
State

The Minnesota economy was still sluggish in September as the unemployment rate rose significantly and total employment fell rather sharply. However, nonfarm wage and salary employment climbed modestly in September.

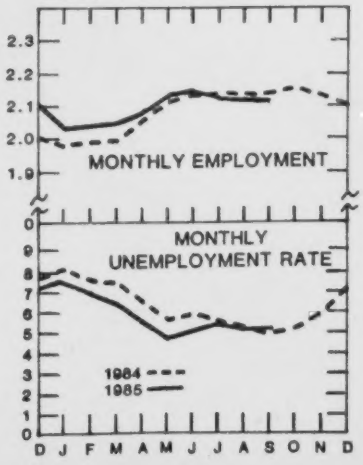
The State's seasonally adjusted unemployment rate increased for the fourth straight month in September, rising by 0.4 of a percentage point to 6.2 percent, the highest since January's 6.4 percent and a little above the year ago rate of 6.0 percent. Also, seasonally adjusted total employment fell for the second consecutive month in September, dropping by 8,500 to its lowest level since June 1984. The moderate gain of 2,700 in seasonally adjusted nonfarm payroll employment was the result of large increases in services and government employment offsetting substantial declines in manufacturing and trade. The very large gain in government employment was due to a rebound in local education employment which had dropped sharply and unexpectedly in August. Employment in business services and other medical services accounted for most of the gain in the services sector in September. Except for the resumption of decline in the computer industry and the strike reduced employment in the meat industry, employment in manufacturing would have shown little change in September. The drop in retail trade employment was primarily due to large declines in employment in general merchandise stores and eating and drinking places which may be temporary. Meanwhile, employment in construction was unchanged in September and was below the recent peak in March.

Labor Force Estimates	MINNESOTA (Numbers in '000's)			UNITED STATES (Numbers in '000,000's)		
	September 1985	Change From Last Mo.	Change From Year Ago	September 1985	Change From Last Mo.	Change From Year Ago
Civilian Labor Force	2230.1	-7.6	-26.2	115.9	-0.8	2.0
Employed	2115.2	-7.9	-28.6	107.9	-0.7	2.1
Unemployed	114.9	0.3	2.4	8.0	-0.1	-0.1
Unemployment Rate						
Actual	5.2	0.1	0.2	6.9	0.0	-0.2
Seasonally Adjusted	6.2	0.4	0.2	7.1	0.1	-0.3

MN and the U.S., Employment & Unemployment Rate



MN, 1984 and 1985



Labor Market Conditions

Minnesota Nonagricultural Wage & Salary Employment, Hours, and Earnings

Industry	EMPLOYMENT[1] (thousands)			PERCENT CHANGE FROM		PRODUCTION WORKERS' HOURS & EARNINGS					
						Average Weekly Earnings		Average Hourly Earnings		Average Weekly Hours	
	Sep. 1985	Aug. 1985	Sep. 1984	Aug. 1985	Sep. 1984	Sep. 1985	Aug. 1985	Sep. 1985	Aug. 1985	Sep. 1985	Aug. 1985
Total Nonagricultural	1907.0	1891.2	1868.1	0.8	2.1						
Manufacturing	383.7	386.1	388.5	-0.6	-1.2	406.91	401.28	10.02	9.99	40.6	40.2
Durable Goods	227.7	228.3	231.6	-0.3	-1.7	423.20	419.89	10.31	10.29	41.0	40.8
Furniture, Lumber and Wood	18.4	18.6	17.3	-1.2	6.5	460.10	457.02	10.86	10.79	42.4	42.4
Stone, Clay and Glass	8.5	8.5	9.4	-0.5	-9.8	393.12	397.55	10.40	10.38	37.8	38.3
Primary Metals	5.8	6.0	6.3	-2.5	-8.1	349.65	348.00	9.25	9.11	37.8	38.2
Fabricated Metals	35.4	35.4	35.7	0.1	-0.7	472.46	461.03	11.33	11.19	41.7	41.2
Nonelectrical Machinery	92.6	93.2	93.8	-0.7	-1.3	443.88	440.39	10.78	10.79	41.2	40.8
Electrical Machinery	27.6	27.4	28.9	0.5	-4.4	325.38	315.26	8.05	7.95	40.4	39.7
Transportation Equipment	6.6	6.7	7.2	-1.5	-8.6	492.96	509.44	11.85	11.82	41.6	43.1
Other Durable Goods[2]	32.8	32.5	33.1	0.9	-0.9	400.63	403.85	9.68	9.84	41.4	41.1
Nondurable Goods	156.0	157.8	156.8	-1.1	-0.5	386.34	378.09	9.64	9.60	40.1	39.4
Food and Kindred	51.4	52.9	53.3	-2.7	-3.6	337.80	323.25	8.02	7.93	42.1	41.5
Textile and Apparel	4.7	4.7	5.3	0.1	-12.0	229.65	227.55	5.88	5.85	39.0	38.9
Paper and Allied	33.7	34.2	34.4	-1.4	-1.9	504.17	497.60	11.95	11.83	42.2	42.1
Printing and Publishing	42.6	42.5	40.3	0.2	5.8	396.06	378.99	10.86	10.72	36.5	35.3
Chemical and Petroleum	10.1	10.1	10.0	0.0	1.8	449.38	445.16	11.24	11.29	40.9	39.4
Rubber and Leather	13.5	13.4	13.6	0.6	-0.7	319.70	314.13	8.48	8.49	37.7	37.0
Nonmanufacturing	1523.3	1505.1	1479.6	1.2	3.0						
Mining and Quarrying	9.4	9.5	9.3	-1.0	0.6	497.79	476.99	12.60	12.66	39.5	37.7
Metal Mining	6.8	6.8	6.9	-0.8	-1.5	503.57	504.90	13.61	13.72	37.0	36.8
Construction	85.3	86.0	81.3	-0.8	5.0	609.79	572.37	15.43	15.37	39.5	37.2
Building	22.4	22.4	21.6	0.1	3.6	561.59	531.07	14.74	14.63	38.1	36.3
Highway and Heavy	17.5	17.9	16.3	-2.2	7.7	595.30	543.10	14.04	13.68	42.4	39.7
Special Trades	45.4	45.7	43.4	-0.7	4.7	642.10	606.46	16.38	16.48	39.2	36.8
Transportation	66.0	63.8	62.9	3.5	5.0						
Railroads	9.8	9.7	10.3	1.1	-4.5						
Trucking and Warehousing	27.3	27.3	26.0	-0.2	5.0	386.20	367.55	11.46	11.45	33.7	32.1
Public Utilities	35.2	35.1	35.3	0.4	-0.4	545.97	537.85	13.58	13.56	40.2	39.7
Communications	20.3	20.3	20.4	0.1	-0.4	499.75	500.29	12.62	12.73	39.6	39.3
Elec., Gas and Sanitary	14.9	14.8	14.9	0.7	-0.5	600.82	581.45	14.69	14.50	40.9	40.1
Trade	483.3	482.9	473.7	0.1	2.0	230.54	229.19	7.60	7.55	30.3	30.4
Retail	363.3	362.8	354.3	0.1	2.6	185.53	184.21	6.61	6.57	28.1	28.1
General Merchandise	50.2	49.8	49.2	0.9	2.1	173.94	175.60	6.19	6.14	28.1	28.6
Food Stores	47.6	47.8	47.7	-0.4	-0.1	197.40	199.79	7.00	7.01	28.2	28.5
Automotive	39.6	39.5	37.2	0.3	6.4	375.78	350.18	9.71	9.49	38.7	36.9
Eating and Drinking	127.7	128.2	124.0	-0.4	3.0	102.38	103.74	4.55	4.57	22.5	22.7
Wholesale	119.9	120.1	119.5	-0.1	0.4	388.75	388.08	10.15	10.08	38.3	38.5
F.I.R.E.	111.1	111.7	107.1	-0.5	3.7						
Finance	51.5	51.9	50.1	-0.7	2.9						
Insurance	40.5	40.4	38.6	0.2	4.8						
Real Estate	19.1	19.4	18.5	-1.7	3.6						
Service	446.8	443.8	428.3	0.7	4.3						
Hotel and Lodging	24.6	26.0	23.4	-5.4	5.1						
Business Services	84.0	83.6	76.8	0.4	9.3						
Health Services	138.6	138.7	136.4	-0.1	1.6						
Private Education	22.2	17.9	21.8	24.0	1.7						
Soc., Serv., Museums etc.	93.9	93.4	91.0	0.5	3.1						
Government	286.3	272.4	281.7	5.1	1.6						
Federal	32.1	32.0	31.0	0.4	3.5						
State	70.3	64.9	69.6	8.3	0.9						
Local	183.9	175.5	181.1	4.8	1.5						

1/ Totals may not add because of rounding.

2/ Includes Scientific Instruments and Miscellaneous Industries.

Labor Market Conditions

Labor Force Data: State, MSAs, and Counties

Area or County	September 1985 Prelim.			
	Labor Force 1/	Unemp.	Unemp. Rate	Year Ago
State of Minnesota	2330088	114912	5.2	5.0
Metropolitan Areas				
Duluth/Superior MSA	100990	9107	9.0	11.3
St. Louis County	83961	7703	9.2	12.3
City of Duluth	33448	2059	6.2	6.7
Douglas County (Wisc.)	17029	1404	8.2	5.5
Fargo/Moorhead MSA	78785	2604	3.3	2.5
Cass County (N. Dakota)	50844	1588	3.1	2.3
Clay County	27941	1024	3.7	2.9
Mpls./St. Paul-MN-WI MSA	1265511	56267	4.4	4.0
Anoka County	118458	5857	4.9	4.2
Carver County	22002	849	3.9	3.0
Chisago County	15522	730	4.7	4.2
Dakota County	117975	5055	4.3	3.8
Hennepin County	552980	24495	4.4	4.1
City of Bloomington	48222	2213	4.6	4.1
City of Minneapolis	213630	10080	4.7	4.6
Isanti County	14020	799	5.7	4.2
Ramsey County	269326	12073	4.5	4.2
City of St. Paul	156996	7877	5.0	4.7
St. Croix County (Wisc.)	25550	1260	4.9	3.8
Scott County	26466	1220	4.6	3.5
Washington County	68161	2387	3.5	3.4
Wright County	35051	1542	4.4	3.6
Rochester MSA-Olmsted Cty.	62621	2287	3.7	3.6
St. Cloud MSA	80126	4850	6.1	6.5
Benton County	12473	832	6.7	6.9
Sherburne County	15214	1033	6.8	6.0
Stearns County	52439	2985	5.7	6.5
Counties				
Aitkin	5362	571	10.6	10.8
Becker	12453	861	6.9	8.7
Beltrami	16364	969	5.9	6.7
Big Stone	3983	173	4.3	4.9
Blue Earth	27637	1142	4.1	3.6
Brown	15112	681	4.5	4.7
Carlton	11186	1335	11.9	8.2
Cass	10869	738	6.8	7.2
Chippewa	7576	418	5.5	5.0
Clearwater	3953	429	10.9	13.0
Cook	2342	157	6.7	6.9
Cottonwood	7558	484	6.4	4.5
Crow Wing	18334	1269	6.9	7.2
Dodge	8903	552	6.2	6.1
Douglas	14202	786	5.5	5.2
Faribault	11537	512	4.4	3.4
Fillmore	12845	673	5.2	5.1
Freeborn	18185	980	5.4	5.9
Goodhue	20631	1064	5.2	5.0
Grant	3491	136	3.9	4.0
Houston	10533	468	4.4	3.7
Hubbard	5688	438	7.7	7.8
Itasca	16255	1792	11.0	9.1
Jackson	8699	532	6.1	3.7
Kanabec	5874	606	10.3	8.5
Kandiyohi	18697	902	4.8	4.5
Kittson	3345	181	5.4	6.4
Koochiching	7390	876	11.9	8.2
Lac Qui Parle	5739	249	4.3	5.1
Lake	4444	471	10.6	10.4
Lake of the Woods	2016	120	6.0	5.8
Le Sueur	13426	777	5.8	5.4
Lincoln	3869	170	4.4	4.2
Lyon	15473	697	4.5	3.8
McLeod	18484	782	4.2	4.4
Mahnomen	2783	210	7.5	8.2
Marshall	6131	474	7.7	8.5
Martin	14344	751	5.2	5.9
Meeker	11042	786	7.1	6.4
Mille Lacs	9252	616	6.7	6.5
Morrison	12860	992	7.7	7.8
Mower	18218	934	5.1	5.6
Murray	6145	325	5.3	6.1
Nicollet	14651	695	4.7	3.6
Nobles	11891	634	5.3	5.8
Norman	4759	203	4.3	4.2
Otter Tail	24789	1538	6.2	5.8
Pennington	6214	376	6.1	6.3
Pine	9800	792	8.1	7.1
Pipestone	5870	252	4.3	3.8
Polk	17477	1099	6.3	5.9
Pope	5736	326	5.7	5.0
Red Lake	2148	191	8.9	9.6
Redwood	11278	766	6.8	3.4
Renville	12197	877	7.2	6.1
Rice	23980	1348	5.6	5.6
Rock	5708	162	2.8	3.0
Roseau	6574	313	4.8	5.8
Sibley	8320	391	4.7	4.1
Steele	16901	870	5.1	6.2
Stevens	5756	206	3.6	3.7
Swift	6008	412	6.9	8.0
Todd	11508	692	6.0	5.9
Traverse	2838	100	3.5	3.5
Wabasha	10261	634	6.2	5.9
Wadena	5524	345	6.2	6.7
Waseca	10462	523	5.0	3.9
Watonwan	6649	322	4.8	4.9
Wilkin	4216	223	5.3	3.6
Winona	22990	1295	5.6	5.5
Yellow Medicine	7743	377	4.9	4.0

Technical Notes:

1/ Labor force data is computed according to BLS methodology. The method includes an adjustment to assure that the sum of the substate areas equals the separately estimated State total. This adjustment is applied to all county and MSA areas. County and area unemployment was multiplied by an adjustment factor of 1.45; employment was multiplied by .98. For a more detailed explanation see the Review of Labor and Economic Conditions, Vol. 4, No. 4, (February 1978 issue), p. 29.

Labor force is the sum of employment and unemployment; therefore, employment can be derived by subtracting unemployment from the labor force.

Selected Minnesota Program Statistics

Characteristics of the Insured Unemployed

Tables 1 and 2 provide data on persons who filed a claim for unemployment compensation in Minnesota during the month. Only those claiming benefits from the regular State program are represented since data on the characteristics of Federal employees and veterans are not available.

The total number of claimants for unemployment benefits fell by 1,559 or 4.9 percent in September. September's decline in percentage terms was considerably less than the seven year average drop of 15.4 percent between August and September and resulted in a large seasonally adjusted over-the-month gain. The only industries to show an increase in claimants in September were manufacturing and finance, insurance and real estate. On a seasonally adjusted basis, claimants in manufacturing have increased in nine of the past thirteen months. Over-the-year, total claimants were up by 7,562 or 33.7 percent and have exceeded year earlier levels for ten consecutive months. Over four-fifths of the over-the-year gain in claimants took place in the manufacturing sector.

Table 1. Distribution of Insured Unemployed, by Age and Sex, September 1985

Age Groups	Number	Percent Distributions		
		Men of Totals	Men of Men	Women of Women
TOTALS	30001	63.1	100.0	100.0
Under 45	22845	63.4	76.5	75.6
Under 25	4602	61.5	15.0	16.0
25-34	11229	65.1	38.6	35.4
35-44	7014	61.8	22.9	24.2
45 and Over	7156	62.2	23.5	24.4
45-54	4073	61.3	13.2	14.3
55 and Over	3083	63.4	10.3	10.1

TABLE 2. Distribution of Insured Unemployed by Industry and Occupation, September 1985

Industry and Occupational Attachment	Number	Percent of Total	Percent Long-Term1/ Unemployed	Women as Percent of Total
Total, All Industries	30001	100.0	22.7	36.9
Ag., For., Fish.	262	0.9	16.7	43.4
Mining	1053	3.5	1.8	6.1
Construction	2192	7.3	12.8	8.0
Manufacturing	12677	42.2	23.2	34.6
Public Utilities	1127	3.8	23.6	28.4
Wholesale Trade	2312	7.7	28.7	28.7
Retail Trade	3316	11.1	24.5	44.6
Finance, Insurance, Real Estate	912	3.0	30.0	56.8
Services	5168	17.2	26.6	56.0
Public Admin.	592	2.0	15.2	57.8
Info. Not Available	390	1.3	1.5	35.0
Total, All Occupations	30001	100.0	22.7	36.9
Prof., Tech., Mgr.	5527	18.4	27.5	41.2
Clerical	3911	13.0	27.9	79.7
Sales	1446	4.8	25.8	32.1
Services	1997	6.7	23.7	52.6
Farm., For., Fish.	178	0.6	14.8	20.7
Processing	1818	6.1	9.3	21.3
Machine Trades	2823	9.4	22.3	16.7
Benchwork	4229	14.1	25.6	55.1
Structural Work	3478	11.6	17.0	4.9
Miscellaneous	4396	14.6	18.4	15.9
Info. Not Available	198	0.7	16.7	52.8

1/ Long-Term unemployed refers to unemployment insurance claimants whose current spell of unemployment has lasted 15 weeks or longer.

Job Service Applicant Supply and Demand

Table 3 compares Job Service (J.S.) job applicants with the J.S. job openings that existed at the end of the month. These comparisons are expressed as supply/demand ratios. Other things being equal, the greater the ratio of applicants to openings, the greater the competition has been for work within that occupational category. To put these ratios into context, the reader must remember that not only do job seekers and employers in general find jobs or recruit workers through other means, but those interested in certain kinds of jobs are particularly unlikely to use the J.S. For example, workers seeking professional and Managerial jobs are least likely to use the J.S., wehereas employers usually recruit construction workers through union halls and hire teachers directly. Thus, the main value of Table 3 is that it reflects, for broad occupational groups, the relative labor market conditions that those using the J.S. encountered when seeking work.

Table 3. Experienced Supply/Job Openings Demand

Occupation	Applicants (Supply) Sept. 1985	Applicants (Demand) Sept. 1985	Supply/Demand Ratio	
			Sept. 1985	Sept. 1984
Total	91339	18077	5.1	4.2
Prof., Tech., Mgr.	13240	2029	6.5	6.2
Clerical	16003	3353	4.8	3.7
Sales	5211	1977	2.6	1.9
Domestic Services	1174	213	5.5	5.9
Other Services	12016	4929	2.4	2.3
Farm., Fish., For.	2994	390	7.7	12.1
Processing	1834	1693	1.1	1.7
Machine Trades	6485	569	11.4	6.1
Benchwork	6663	680	9.8	5.6
Structural Work	11500	842	13.7	9.0
Mtr. Frght., Trans.	3835	668	5.7	5.1
Pkg. & Mat. Hndlg.	9470	636	14.9	8.1
Other	914	98	9.3	13.4

1/ Inexperienced and improperly coded job applicants are not included in this table.